Participation in Global bids by Coal India Limited

619: SHRI C. RAMACHANDRAIAH: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that Coal India Limited (CIL) was making efforts by participating in global bids for allocation of coal blocks abroad and/or participating in the equity base of foreign companies as joint venture;

(b) whether it is also a fact that CIL is planning to float a subsidiary Coal Videsh Limited for this purpose; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) Yes, Sir. Coal India Limited (CIL) in consortium with Steel Authority of India Ltd. (SAIL) submitted its response to the Request for Qualification (RFQ) for selection of Coal Developer for Moatize Coal Basin, Mozambique in the month of June, 2004 within the stipulated date and time for submission of said response. However, CIL-and-SAIL-consortium was not short-listed in the aforesaid bidding because of non-compliance of audited financial statements as per US GAAP or IFRS guidelines. As the reconciliation and audit of accounts with US GAAP or IFRS is not mandatory in India, such reconciliation was not carried out in CIL and SAIL. Though time-extension for complying with this requirement was sought, the same was not granted.

Also, CIL submitted non-binding bid for acquiring 25% of equity of Tahmoor Coal Pvt. Ltd., Australia, a subsidiary of Austral coal Pvt. Ltd., Australia, who was exploring the possibility of divesting upto 25% of equity of the former company. Both CIL and SAIL were short-listed based on submission of non-binding bids. However, it was subsequently not considered prudent by CIL to proceed further in the matter as the competition between two PSUs on such as issue was not desirable.

(b) and (c) Yes, Sir. CIL Board is planning to form a new wholly owned subsidiary company of CIL with the name, Coal Videsh Limited, following a decision in a review meeting with the Planning Commission for venturing into coal business opportunities abroad considering the widening demand-supply gap and the amount of coal imported into India.